

EXECUTIVE DIRECTOR'S REPORT TO THE COLORADO RIVER BOARD OF CALIFORNIA

February 13, 2019

ADMINISTRATION

Minutes of the January 9, 2019 Meeting of the Colorado River Board

A draft of the minutes from the January 9, 2019 meeting of the Colorado River Board of California (Board) held in Ontario, California, has been prepared and is included in the Board folder for review and proposed adoption during the February Board meeting.

COLORADO RIVER BASIN WATER REPORT

As of February 4th, the water level at Lake Powell was 3,575.74 feet with 9.58 million-acre feet (MAF) of storage, or 39% of capacity. The water level at Lake Mead was 1,085.81 feet with 10.50 MAF of storage, or 40% of capacity. As of February 3rd, the total system storage was 26.90 MAF, or 45% of capacity, which is about 4.94 MAF less than the system storage at this same time last year.

As of February 4th, the Upper Colorado River basin reservoirs, excluding Lake Powell, ranged from 42% of capacity at Fontenelle Reservoir in Wyoming; 85% of capacity at Flaming Gorge Reservoir in Wyoming and Utah; 91% of capacity at Morrow Point and 30% of capacity at Blue Mesa Reservoirs in Colorado; and 51% of capacity at Navajo Reservoir in New Mexico.

As of February 4th, the forecasted inflow for Water-Year 2019 is 7.7 MAF (71% of normal). The forecasted April to July 2019 runoff into Lake Powell is projected to be 5.3 MAF (74% of normal). The January 2019 observed Lake Powell inflow was 0.21 MAF (58% of normal), and the February Lake Powell inflow forecast is 0.25 MAF (64% of normal). The WY-2019 precipitation to date is 104% of normal. The current basin snowpack is 104% of normal.

Colorado Basin River Forecast Center Water Supply Webinar

On February 7th, the Colorado Basin River Forecast Center held a webinar to review the water supply conditions and forecast. Compared to the start of the snow accumulation season last year, water precipitation conditions for January and the beginning of February were slightly below and above average respectively. This time last year, the Basin experienced widespread poor precipitation conditions, except for the Upper Green River basin (see Figure 1 below).

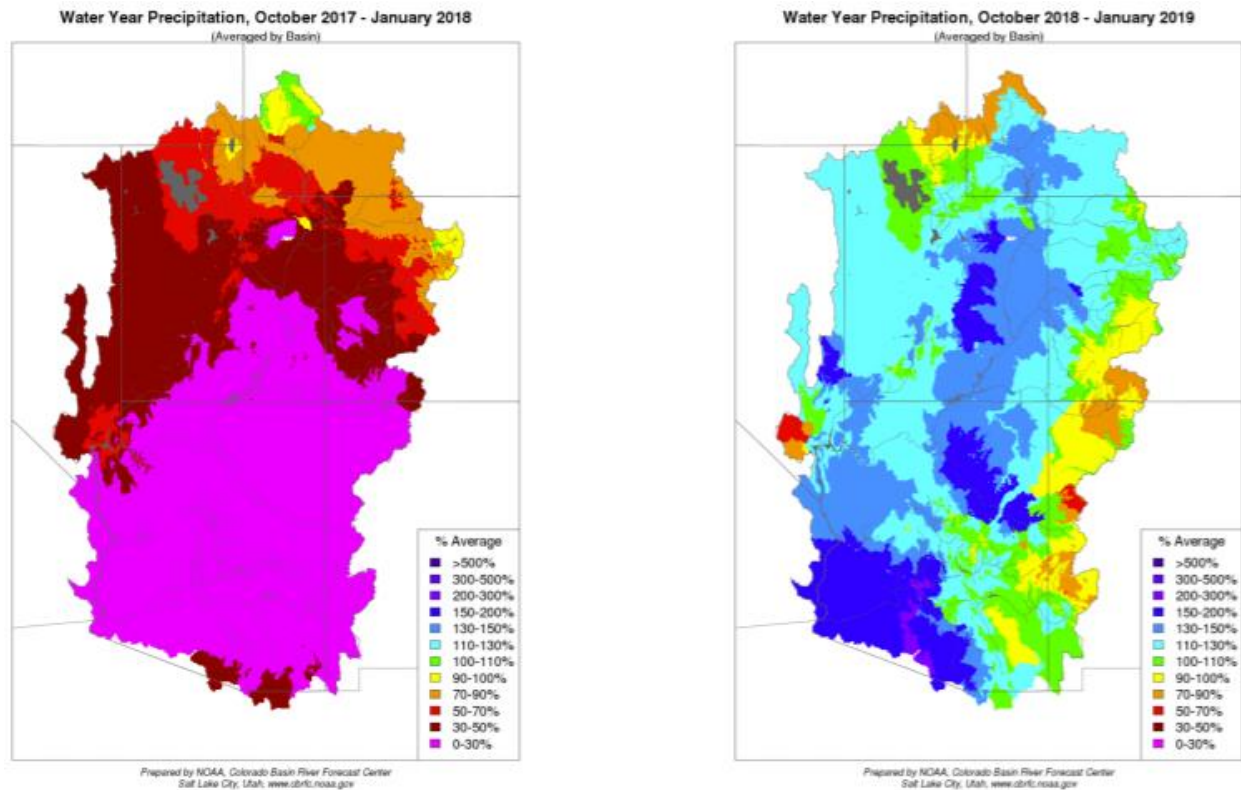


Figure 1: 2018 Water Year Precipitation & 2019 Water Year Precipitation to January 2019

The strong low-pressure ridge that resulted in infrequent storms and extended dry period has shifted to a progressive pattern with a stronger southern jet-stream and warmer temperatures in the Pacific Ocean, although an El Nino condition has not been declared. Basin weather models indicate that storm activity is likely during the second and third week of February and snowpack will increase by the end of the month. It is likely that precipitation conditions in February will be above average.

Soil conditions are dry entering the winter season and may impact runoff volumes. Dry soil conditions can be attributed to low runoff conditions in 2018, as well as reduced monsoonal activity during the summer.

COLORADO RIVER BASIN PROGRAM REPORTS

Status of Colorado River Basin Drought Contingency Planning Efforts

On February 1st, Reclamation published a notice in the *Federal Register* indicating that if the Colorado River Basin Drought Contingency Plans (DCPs) are not completed by March 3, 2019, a fifteen-day comment period will be opened from March 4th through March 19th and Reclamation will accept "...input from the Governors of each of the seven Colorado River Basin States for their

specific recommendations on prompt Departmental action that would be appropriate to take to reduce the risks the Colorado River Basin is facing.” The *Federal Register* notice will be distributed as a handout material at the meeting. In comments to the press at the release of the notice, the Commissioner of Reclamation recognized that work remains in both Arizona and California to complete the LB DCP approvals process. Specifically, the *Federal Register* notice requests the following:

“...input from the Governors of the Basin States (and appropriate consultation with such state representatives as each Governor may designate) regarding recommendations for potential Departmental actions in the event that the DCPs cannot be completed and promptly adopted that: (a) would be appropriate to take to reduce the risks the Colorado River Basin is facing, and (b) can be adopted prior to the August 2019 determinations of operations for Lake Powell and Lake Mead in 2020.”

As the Board is aware, among the California LB DCP participating agencies, both The Metropolitan Water District of Southern California (MWD) and Palo Verde Irrigation District (PVID) have fully approved the interstate LB DCP agreements package as well as the necessary California interagency agreements associated with the proposed voluntary contributions schedule. On February 12th the Coachella Valley Water District approved the DCP interstate agreements having previously approved the California intrastate agreements. The Imperial Irrigation District (IID) has yet to finalize approval of the LB DCP interstate package but has approved the interagency agreements within California. The California agencies, as well as agencies in Arizona and Nevada, have yet to resolve remaining ICS credit and water accounting issues with Reclamation related to an appendix (formerly Table 2) to the LB DCP Operations document (LBOps). Additionally, IID continues to work to secure a federal funding commitment for Salton Sea management through relevant sections of the 2018 Farm Bill and would like to understand the nature of that funding commitment prior to a final approval of the interstate LB DCP package.

Finally, the City of Needles is also a California contractor that must approve and execute a limited number of the interstate agreements, and now that the final draft documents are prepared the City of Needles is moving to seek the approval of the package at the next meetings of both the Utilities Committee and City Council and complete the approval process. The City of Needles will also be required to approve any additional Intentionally Created Surplus (ICS) exhibits to the 2007 Forbearance Agreement.

An important condition for approval of the DCPs among the seven states, as well as many of the participating agencies, has been that there be a brief piece of federal legislation that authorizes the Secretary of the Interior to implement the DCPs once the final approvals have been obtained by the states and participating agencies. This proposed legislation is to be submitted to the delegations of the seven states for inclusion in a suitable bill that can be expected to move through the Congress this month. This proposed DCP legislation includes the following language:

X. COLORADO RIVER BASIN DROUGHT CONTINGENCY PLANS

(a) Notwithstanding any other provision of law, upon execution of the February 4, 2019, versions of the Agreement Concerning Colorado River Drought Contingency Management and Operations and the agreements attached thereto as Attachments A1, A2 and B, by all of the non-federal parties thereto, the Secretary of the Interior shall, without delay, execute such agreements and is directed and authorized to carry out the provisions of such agreements and operate applicable Colorado River system reservoirs accordingly.

Over the last week it became apparent that the opportunity to attach the proposed federal DCP legislation to Senate Bill 47 (Public Lands legislation) had probably slipped away from the states as it was too far into the pipeline. The sense among the Department of the Interior representatives at the Washington level is that there are other opportunities on the horizon that could be utilized to advance the states' proposed legislation when the timing is appropriate.

The seven Colorado River Basin States and agencies held a conference call on February 6th with Reclamation Commissioner Brenda Burman and her staff to provide a status update on efforts to complete the DCP. Arizona reported that while the required state legislation was passed and signed into law on January 31st, substantial work remains to complete a series of intrastate and interagency agreements that will need to be finalized and executed prior to the director of the Arizona Department of Water Resources executing the interstate DCP package of agreements. Additionally, Arizona cannot approve and sign the final agreements without the passage and signing into law of the federal DCP legislation.

The California agencies (CVWD, IID, MWD and PVID) all reported out on their respective status. CVWD reported that it was proposing that its Board could take action on Tuesday, February 12th to approve the interstate DCP agreements package. IID reported that while it very much supported completion of the DCP, it was working on a concurrent and parallel path to secure federal funding for Salton Sea management from the USDA through the 2018 Farm Bill. IID reported that it is hoping to secure a meeting with USDA Secretary Perdue prior to February 15th when the Government could be shut down again. IID's discussions with USDA and the NRCS appear to have been positive so far. Finally, MWD and PVID reported they have completed Board approvals of the interstate package and are awaiting the opportunity to complete work with the three Lower Basin states on the proposed new ICS exhibits and LBOps appendix.

The Nevada agencies reported that while they too have approved the interstate DCP agreements, they also believe that the proposed federal legislation probably cannot be advanced to the Congress until the proposed new ICS exhibits and LBOps appendix have been completed and approved by all three Lower Basin states and Reclamation.

During the call the three Lower Basin states and Reclamation identified two remaining critical path tasks, including:

- The expected review and approval process for the proposed new ICS exhibits among the three Lower Basin states and Reclamation; and

- The review and discussion of the ICS credit and water accounting data/information to be included in the appendix of the LBOPs document.

In order to initiate an immediate effort to begin working on completing these tasks, Commissioner Burman tasked Reclamation's Lower Colorado Regional Director, Terry Fulp, to reach out to the agencies in the three Lower Basin states and schedule a series of focused technical meetings to complete the review and reach consensus on the proposed new ICS exhibits as well as address the credit and accounting issues in order to complete the appendix for the Lower Basin Operations document. Concurrent with completing these remaining tasks, Arizona agencies will continue to work on completing their intrastate agreements and IID continues to pursue federal funding for Salton Sea management in support of the Phase 1 10-Year Plan.

A meeting of the Lower Basin principals has been tentatively scheduled for February 25th to discuss remaining DCP issues and next steps. The location for this meeting has yet to be determined.

Status of the Colorado River Salinity Control Program

The cooperating agencies for the Paradox Valley Unit (PVU) Alternatives Study/ EIS met in person and via webinar on February 6th. Reclamation provided an update on the status of the EIS. At the Bureau of Land Management's request, Reclamation is contracting for additional studies for the EIS to evaluate potential impacts to visual, cultural and air quality resources in the project area. Once the contracts are awarded, Reclamation will provide an updated EIS-completion schedule.

The next meeting of the Salinity Control Forum's Work Group is scheduled for February 20-22 in Phoenix, Arizona. The Forum and Advisory Council are scheduled to hold meetings during the first week of June 2019 in Denver, Colorado.

GENERAL ANNOUNCEMENTS AND UDATES

Washington, D.C. Updates

Government Shut Down Update

As of March 12th, the bipartisan Congressional committee appears to have reached a tentative agreement on a Border Security package. It remains to be seen if this consensus-based package can satisfy the Administration in order to get a funding bill passed and keep the government open. It is thought that if this compromise package is not acceptable to the Administration, the Congress could pass another short-gap funding bill to extend government funding a few more weeks to allow negotiations to continue. It is unclear if the Administration would support such a process though.

Nominations

The Senate Committee on Environment and Public Works voted favorably on Mr. Andrew Wheeler's nomination to lead the Environmental Protection Agency. His nomination will now be moved to the full Senate for an up or down vote, which is expected to occur in the next week or two.

Earlier this week President Trump nominated Mr. David Bernhardt, the current Acting Secretary of the Interior, to serve as the Secretary of the Interior. Mr. Bernhardt's nomination will likely take a month or two to be completed because he must undergo committee hearings and committee approval before his nomination can be considered by the full Senate. Until then he will remain in his current capacity as Acting Secretary. Mr. Kiel Weaver, formerly with Republican House Speaker Ryan, is now at the Department of the Interior as a Deputy Assistant Secretary for Water and Science.

Colorado River Drought Contingency Plan Legislation

As discussed earlier, it is expected that both the House Natural Resources Committee and the Senate Energy and Natural Resources Committee will hold hearings on the DCP legislation when appropriate, but probably not before March. The House and Senate will coordinate on timing so that witnesses only have to travel once.

Climate Change

Both the House Committee on Natural Resources and the Committee on Energy and Commerce held hearings on climate change this week. While the subject remains controversial, there appears to be some common ground between Democrats and Republicans on paths forward including on upfront disaster mitigation and on an all-of-the-above energy strategy that includes at least some renewable energy. It is expected that there will be significant rhetoric and debate on both sides of the aisle, including messaging regarding a 'Green New Deal,' in upcoming policy debates on a national infrastructure plan. An infrastructure plan will also likely include measures to combat drought including proposals for more water storage in the West.

Christopher Harris
Executive Director
February 13, 2019